Office - Supreme Court, U.S.
FILED
FEB 2 1982
ALEXANDER L. STEVAS,
CLERK

81-1445

NO._____

IN THE

Supreme Court of the United States

October Term 1981

KENNETH S. PETERS,

Petitioner,

v.

SIDNEY DIAMOND, Commissioner of Patents,

Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS OF THE DISTRICT OF COLUMBIA

Thomas J. Greer, Jr.
(Counsel of Record)
204 Adams Street, N.E.
Washington, D. C. 20002

ANDREW P. ZIMMER
1515 North Courthouse Road
Arlington, Virginia 22201

Attorneys for Petitioner

QUESTION PRESENTED FOR REVIEW

Whether the trial judge's invocation of the doctrine of *res judicata* constitutes an abuse of discretion and a denial of due process.

Page

TABLE OF CONTENTS

Question Presented for Review i

Opinions Below. 2

Statement of Jurisdiction 2

Constitutional Provisions, Statutes and Rules Involved 3

Statement of the Case 4

Argument and Reasons for Granting the Writ. 7

I. The Trial Court's Invocation of *res judicata* constitutes an abuse of discretion and a denial of due process 7

Appendices

Appendix A Judgment of the District Court. A-1

Appendix B Judgment of the Court of Appeals. B-1

Appendix C Memorandum Opinion. . . . C-1

TABLE OF AUTHORITIES

Table of Cases

Allen v. McCurry, 449 U.S. 90, 94 (1980) 8

Page

Statutes

40 U.S.C. §318(a). 3, 10

Other

Paris Convention for the Protection of Industrial Property, Article 12, (21 U.S.T. §§1629, 1649) 3, 7, 9

NO. _____

IN THE
SUPREME COURT OF THE UNITED STATES
October Term 1981

KENNETH S. PETERS,
Petitioner,
v.
SIDNEY DIAMOND, Commissioner of Patents,
Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS OF THE DISTRICT OF COLUMBIA

To The Honorable Chief Justice and Associate Justices of the Supreme Court of the United States:

Kenneth S. Peters [hereinafter "Peters"] by his attorneys, respectfully prays that a writ of certiorari issue to review the decision of the United States Court of Appeals of the District of Columbia, filed on November 17, 1981.

OPINIONS BELOW

The United States Court of Appeals for the District of Columbia affirmed the dismissal of the case by the United States District Court in an opinion filed November 17, 1981. The court did not file an opinion, but issued a judgment stating the reasons therefor in an accompanying memorandum. Both the judgment and the accompanying memorandum denying the petitioner's claims are attached in the opinion.

STATEMENT OF JURISDICTION

The date of the opinion of the court of the United States Court of Appeals for the District of Columbia sought to be reviewed is November 17, 1981, which is also the date of its filing. The United States Supreme Court has jurisdiction under 25 U.S.C. §1257(3).

CONSTITUTIONAL PROVISIONS, STATUTES, AND RULES INVOLVED

1. Paris Convention for the Protection of Industrial Property, Article 12, [21 U.S.T. §§1629, 1649].

> (1) Each country of the Union undertakes to establish a special industrial property service and a central office for the communication to the public of patents, utility models, industrial designs, and trademarks.
>
> (2) This service shall publish an official periodical journal. It shall publish regularly:
>
> > (a) the names of the proprietors of patents granted, with a brief designation of the inventions patented;
> >
> > (b) the reproductions of registered trademarks.

2. 40 U.S.C. §318(a)

> The Administrator of General Services or officials of the General Services Administration duly authorized by him are authorized to make all needful rules and regulations for the government of the Federal property under their charge and control, and to annex to such rules and regulations such reasonable penalties, within the limits

> prescribed in section 318c of this title, as will insure their enforcement: *Provided*, that such rules and regulations shall be posted and kept posted in a conspicuous place on such Federal property.

STATEMENT OF THE CASE

The petitioner, Kenneth S. Peters, is a self-employed patent searcher in the Public Search Room of the United States Patent Office. On August 2, 1978, Peters was stopped as he left the Search Room with a single page of an original Patent Office document. Because the Patent Office found that this was the second such incident in which Peters had been involved, it revoked his "User Pass" for the Search Room for two days for each of the two incidents, the revocation to run concurrently. This was done pursuant to published regulations, see 41 Fed. Reg. 29009 (1976), which set up a "User Pass" system. Under the system all members

of the public must have a "User Pass", a sort of internal entry and exit paper. The banishment occurred on October 25 and 26, 1978. The "User Pass Agreement" is a document containing approximately 20 regulations, the terminal portion of which states that the signer consents to banishment from the Patent Office Search Room if charged with an infraction of any of its regulations. Only by signing a "User Pass Agreement" can any member of the public gain access to the Search Room. By reason of his banishment from the Search Room, Peters was caused to suffer loss of income, not being able to perform his regular services or engage in his normal employment for that two day period.

Peters thereafter filed a complaint in the U.S. District Court for the District of Columbia. In that complaint he asked for compensation or reimbursement of loss of

self-employment income for the dates of October 25 and 26, 1978, at $150.00 per day or a total of $300.00. As principal grounds therefor, he asserted that he had exhausted his administrative remedies, having by letter made demand upon the Commissioner for reimbursement of his lost income, and not received any payment or reimbursement, the Commissioner refusing his demand. The basis of his complaint was the Fourteenth Amendment of the United States Constitution, prohibiting interference with a citizen's right to work, and violation of the Paris Convention for the Protection of Industrial Property, 21 U.S.T. §1629, which treaty was in force on the dates in question.

The respondent filed a motion to dismiss on various grounds, particularly the defense of *res judicata*, and its brief in support thereof. The United States District

Court granted the respondent's motion to dismiss, on November 5, 1980, with prejudice, on the ground that the relief sought by Peters in his complaint was barred by the doctrine of *res judicata*.

ARGUMENT AND REASONS FOR GRANTING THE WRIT

This case presents important issues on the application fo the doctrine of *res judicata*, and on the application of certain treaty provisions contained in the Paris Convention for the Protection of Industrial Property (21 U.S.T. §1629).

1. The Trial Judge's Invocation Of *Res Judicata* Constitutes An Abuse of Discretion and A Denial of Due Process

The sole ground for dismissal of the complaint by the trial judge was the doctrine of *res judicata*. The doctrine was interpreted by the U.S. Court of Appeals

for the District of Columbia to mean that "a final judgment on the merits of an action precludes the parties or their privies from relitigating issues that were or could have been raised in that action", citing *Allen* v. *McCurry*, 449 U.S. 90, 94 (1980). This interpretation overlooks altogether the distinction between *res judicata* and *collateral estoppel*, a doctrine that more appropriately describes the petitioner's situation. While petitioner has sought relief in the U.S. District Court by way of three separate actions, at no time did the underlying matter ever reach a judgment on the merits. The second and third actions brought by petitioner sought to remedy asserted defects raised by the respondent's motion to dismiss on procedural grounds. The petitioner's underlying claims, namely, that the respondent is completely without

authority to bar or to banish persons from the Public Search Room for Patents, was thereby sidestepped. By the adoption of the interpretation of *res judicata*, the trial court was also able to sidestep a ruling on the treaty obligation of the United States, viz., the Paris Convention for the Protection of Industrial Property, Article 12 (21 U.S.T. §§1629, 1649). Procedural requisites which the petitioner attempted to meet in pursuit of a basic claim, should not be used to penalize him under a doctrine of law that effectively bars him from a full ventilation of issues and a finding on the merits.

Because of the availability of the doctrine of *collateral estoppel*, issues previously litigated and concluded can safely be eliminated from subsequent litigation with minimum expense of judicial resources,

while preserving the petitioner's right to an ultimate determination of the undetermined issues. The application of the doctrine of *res judicata* should have been stayed until a determination whether petitioner was collaterally estopped from raising any or all the basic issues in the legal actions filed subsequent to his first suit.

The trial court's refusal to hear the issues is tantamount to a *de facto* approval of the User Pass program promulgated by the Patent Office whereby the Patent Office substitutes its own adjudicating process and sanctions for those prescribed by Congress, (40 U.S.C. §318a).

APPENDIX A

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

KENNETH S. PETERS,	)	
	)	
Plaintiff,	)	
	)	
v.	)	Civil Action No. 80-1297
	)	
SIDNEY DIAMOND,	)	
	)	
Defendant.	)	

ORDER

Upon consideration of defendant's motion to dismiss, plaintiff's opposition thereto, and the record herein, it is, by the Court, this 5th day of November, 1980.

ORDERED that defendant's motion is hereby granted and this action is dismissed with prejudice on the ground it is barred by res judicata.

s/ George C. Hart
UNITED STATES DISTRICT JUDGE

APPENDIX B

UNITED STATES COURT OF APPEALS
FOR THE DISTRICT OF COLUMBIA CIRCUIT

No. 80-2474

Kenneth S. Peters, Appellant,

v.

Sidney Diamond, Commissioner
of Patents, Appellee

APPEAL FROM THE UNITED STATES DISTRICT
COURT FOR THE DISTRICT OF COLUMBIA

Before: McGOWAN, Senior Circuit Judge,
MacKINNON and GINSBURG, Circuit Judges

J U D G M E N T

This cause was considered on the record on appeal from the United States District Court for the District of Columbia and was brief and argued by counsel. The Court has accorded full consideration to the issues presented; they occasion no need for an opinion. See D.C. Cir. Rule 13(c).

For reasons stated in the accompanying memorandum, it is hereby ORDERED and ADJUDGED by this Court that the judgment of the District Court on appeal herein is hereby affirmed.

Per Curiam
For the Court:
s/ George A. Fisher
George A. Fisher
Clerk

APPENDIX C

Memorandum

Plaintiff Peters is a self-employed patent searcher in the public search room at the Patent Office. On August 2, 1978, he was discovered leaving the search room with an original Patent Office document. Plaintiff claimed inadvertence but the Patent Office found that this was the second such incident in which Peters had been involved. The Patent Office, pursuant to published regulations, see 41 Fed. Reg. 29009 (1976), revoked Peters' user's pass for the search room for two days for each incident, the revocations to run concurrently. The suspension of privileges occurred on October 25 and 26, 1978.

On October 24, 1978, the day before the suspension was to go into effect, Peters filed an action in the District Court seeking a TRO and preliminary and permanent injunctive relief against denial of access to the search room based on the Patent Office's published regulations (hereinafter "Action 1"). The TRO was denied, Peters v. Banner, No. 78-2009 (D.D.C. Oct. 24, 1978), and appellant endured the two-day suspension

of his privileges. Rather than amend his complaint to include a claim for money damages for loss of income, Peters on October 30, 1978 voluntarily dismissed the action with prejudice.

On March 21, 1979, a class action styled Greer v. Banner, No. 79-0856, was filed in the District Court, with Peters as one of the two named plaintiffs ("Action 2"). This action sought the same injunctive relief as had Action 1, plus declaratory relief and money damages for lost income suffered as a result of the enforcement of Patent Office rules. This action was dismissed, with prejudice, by order of Judge Harold Greene on July 31, 1979. With respect to Peters, the court found the action to be barred by res judicata, and alternatively, to the extent (if any) that Peters' claim for monetary relief was not so barred, by a lack of subject matter jurisdiction due to Peters' failure to exhaust administrative remedies. On appeal from the dismissal, this court granted the Commissioner's motion for summary affirmance. Greer v. Banner, No. 79-2023 (D.C. Cir. Jan. 11, 1980).

The present action ("Action 3") was filed on May 23, 1980, seeking damages for lost income and "further relief as to the Court appears just and proper." The alleged loss is once again that suffered on October 25-26, 1978. The government's motion to dismiss was granted on the ground that the action was barred by res judicata. Plaintiff appeals -- again -- from that dismissal.

Plaintiff's argument on appeal is essentially that his claim has never actually been litigated. See Appellant's Brief at 10, 15. With respect to Action 1, he argues that the demand for monetary relief and the assertion of new legal theories of recovery distinguish the present action. With respect to Action 2, he argues that the dismissal there was for failure to exhaust administrative remedies, and so cannot operate as a final judgment on the merits.

Appellant fails to appareciate that the test for application of the res judicata bar is whether the claim has or could have been litigated in a prior suit between the same parties. "Under res judicata, a final judgment on the merits of an action precludes the

parties or their privies from relitigating issues that were or could have been raised in that action." Allen v. McCurry, 449 U.S. 90, 94 (1980). The parties, Peters and the Commissioner of Patents, are clearly the same in all three actions. The only question, then, is whether either Action 1 or Action 2 was a final adjudication on the merits of the same cause of action sued on here. Since we hold this action barred by the dismissal of Action 1, we find it unnecessary to reach the question of the preclusive effect to be accorded Action 2.

Action 1 as originally filed did not include a claim for monetary relief, because it was filed the day before the alleged injury occurred. However, Action 1 was still before the court and ripe for adjudication on October 26. Peters could still have pressed claims for declaratory or permanent injunctive relief at this point, and could have added his claim for money damages to the action as well. In short, prior to the date of dismissal, Peters could have asserted in Action 1 all of the theories and requests for relief he is presently urging in this suit. Instead, he

he chose voluntarily to dismiss the action with prejudice. Such a dismissal operates as a final judgment on the merits, 9 C.Wright & A. Miller, Federal Practice and Procedure -- Civil § 2373 (1971), and thus extinguishes Peters' claim regardless of his failure to present in Action 1 theories or prayers for relief he now urges. Mervin v. FTC, 591 F.2d 821, 830 (D.C. Cir. 1978); 1B Moore's Federal Practice ¶ 0.410[1] at 1162-63 (2d ed. 1980); Restatement (Second) of Judgments § 61.1 (Tent. Draft No. 5, 1978) (plaintiff's claim is extinguished even though he is prepared in the subsequent action to present theories of the case not presented in the first action and seeks remedies or forms of relief not demanded in the first action).

Peters' present action is the same action for res judicata purposes as his Action 1 notwithstanding the different forms of relief requested:

> Once law and equity are merged, the general principles of claim preclusion require quite different results. Within the federal courts, merger makes it possible to seek both legal and equitable remedies in a single action without any sacrifice of rights to jury trial and

> complete relief. Free amendment of pleadings is available to ensure that a party who reasonably sought one remedy is not prevented from switching to an alternative remedy when the original request is shown to be unsuitable. As a result, it is now clear that a single claim or cause of action includes all remedies, legal and equitable, whether it is defined by a broad transactional test or by some more traditional formula. The fact that the first suit seeks only specific relief once available in equity does not change this result.
>
> Several federal cases reflect the broad proposition that a suit for injunctive relief precludes a second suit on the same cause of action for damages or duplicating injunctive relief.

18 C.Wright, A. Miller, & E. Cooper, Federal Practice and Procedure -- Civil § 4410 at 84 (1981) (footnotes omitted); accord, 1B J. Moore & T. Currier, Moore's Federal Practice ¶ 0.405[7] at 764-65 (2d ed. 1980); id. ¶ 0.410[1] at 1156-57. See Restatement (Second) of Judgments, supra, § 61.1, comment; & illustration 19. "[A] suit for injunctive relief is preclusive of a later suit for damages based upon the same cause of action." Mirin v. Nevada ex rel Public Svc. Comm'n, 547 F.2d 91, 94 (9th Cir. 1976),

cert. denied, 432 U.S. 906 (1977). "That injunctive relief was sought in the first action and damages are sought in this action is insufficient to distinguish the two actions for purposes of res judicata." Lambert v. Conrad, 536 F.2d 1183, 1185 (7th Cir. 1976).

It is therefore concluded that the judgment in Action 1 is res judicata of Peters' Action 3.

Judgment accordingly.